

## Message Text

CONFIDENTIAL

PAGE 01 TEHRAN 01761 191324Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 SSO-00 NSCE-00 USIE-00  
INRE-00 SOE-02 AID-05 CEA-01 CIAE-00 COME-00  
DODE-00 DOE-11 H-01 INR-10 INT-05 L-03 NSAE-00  
OMB-01 PM-05 OES-07 SP-02 SS-15 STR-07 TRSE-00  
ACDA-12 DOEE-00 /118 W  
-----101158 191328Z /43

O 191242Z FEB 78

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 7045

AMEMBASSY ABU DHABI IMMEDIATE

INFO AMEMBASSY JIDDA IMMEDIATE

AMEMBASSY KUWAIT IMMEDIATE

AMEMBASSY MANAMA IMMEDIATE

AMEMBASSY DOHA IMMEDIATE

AMEMBASSY MUSCAT IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

C O N F I D E N T I A L TEHRAN 01761

E.O. 11652: GDS

TAGS: ENRG TC IR

SUBJ: TAX AND ROYALTY PROBLEM FOR CRESCENT PETROLEUM

REF A. STATE 044034, B. ABU DHABI 443, C. ABU DHABI 419

1. AS REPORTED SEPTTEL, CONSIDERABLE CONFUSION AND DIS-  
ORGANIZATION REIGNS IN NIOC TODAY FOLLOWING UNEXPECTED  
RESIGNATIONS OF FOUR NIOC DIRECTORS IN PROTEST OVER NAMING  
OF TWO DEPTY MANAGING DIRECTORS TO NIOC. PARVIZ MINA  
WOULD HAVE BEEN MOST KNOWLEDGEABLE NIOC OFFICIAL RE  
SHARJAH CONCESSIONAIRE SITUATION BUT HE WAS CLEANING OUT  
HIS DESK THIS MORNING. IN HIS ABSENCE EMBOFF SPOKE WITH  
M. MODIR, ALTERNATE DIRECTOR FOR INTERNATIONAL AFFAIRS AND  
MINA'S DEPUTY.

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1. MODIR SAID THAT WHILE HE PERSONALLY HAD NOT  
PARTICIPATED IN JOINT COMMITTEE (CITED PARA 2 REFTTEL  
B) MEETING, HE SAID HE WAS GENERALLY KNOWLEDGEABLE ON  
NIOC'S POSITION VIS-A-VIS CRESCENT PETROLEUM/SHARJAH  
POSITION. HE ASSURED EMBOFF FOUR OR FIVE TIMES IN  
THE COURSE OF THE CONVERSATION THAT NIOC SOUGHT A  
"MUTUALLY AGREEABLE SOLUTION," AN ACCOMMODATION OF

ALL THE INTERESTS" AND CONVEYED NIOC'S POSITION AS ONE OF COMPLETE CONCILIATION. HE THOUGHT THAT THE FINAL RESOLUTUION OF THE FISCAL TERMS WOULD BE MADE FAIRLY SOON.

3. THE FOREGOING, OF COURSE, RUNS COUNTER TO CRESCENT PETROLEUM BELIEF, REPORTED REFTEL B, THAT A DECISION AGAINST THE AMERICAN COMPANY HAS BEEN REACHED OR IS ABOUT TO BE REACHED. WHILE ON THE FACE OF IT WE HAVE NO EVIDENCE THAT SUGGESTS THAT MODIR WAS DELIBERATELY MISREPRESENTING NIOC'S POSITION, EMBASSY DID SEEK TO CHECK MODIR'S VERSION WITH SHARJAH LEGAL ADVISOR, WHO NOW PRESUMABLY IN TEHRAN, JUDGE DUWAIK. HOWEVER, UAE EMBASSY CLOSED THIS AFTERNOON AND WE HAVE NO IDEA WHERE DUWAIK CAN BE REACHED.

4. EMBASSY TEHRAN WOULD URGE THAT, AS DEVELOPMENTS UNFOLD, IF CRESCENT BELIEVES ITS INTEREST ARE BEING THREATENED BY NIOC, THEN CRESCENT REPRESENTATIVES SHOULD COME TO TEHRAN TO DEAL WITH NIOC DIRECTLY.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, TAXES  
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**Draft Date:** 19 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
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**Reference:** 78 STATE 44034, 78 ABU DHABI 443, 78 ABU DHABI 419  
**Retention:** 0  
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**Review Content Flags:**  
**Review Date:** 26 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**Subject:** TAX AND ROYALTY PROBLEM FOR CRESCENT PETROLEUM  
**TAGS:** ENRG, TC, IR  
**To:** STATE ABU DHABI  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014